

**Caddo Community Action Agency, Inc.  
Shreveport, Louisiana**

**Financial Statements**

**For the Years Ended January 31, 2010 and 2009  
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/18/10

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana

Table of Contents

	<u>Page No.</u>
<b>Independent Auditors' Report</b>	1 – 2
<b>Financial Statements:</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6 – 12
<b>Combining Schedules:</b>	
Combining Schedule of Financial Position	13
Combining Schedule of Activities	14
<b>Schedule of Expenditures of Federal Awards</b>	15
<b>Supplemental Schedules Prepared for Grants and Contracts Analysis:</b>	
Head Start Grant No. 06CH6376/38 Schedule of Revenues, Expenses and Changes in Fund Balance For the Contract Period: February 1, 2009 to January 31, 2010	17
Child and Adult Care Food Program Schedule of Revenues, Expenses and Changes in Fund Balance For the Period: February 1, 2009 to January 31, 2010	18
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards</b>	19 – 20
<b>Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133</b>	21 – 22
<b>Summary Schedule of Prior Audit Findings</b>	23
<b>Schedule of Findings and Questioned Costs</b>	23
<b>Schedules for Louisiana Legislative Auditor:</b>	
Summary Schedule of Prior Audit Findings	24
Corrective Action Plan for Current Year Audit Findings	24

# COOK & MOREHART

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## Independent Auditors' Report

To the Board of Directors  
Caddo Community Action Agency, Inc.  
Shreveport, Louisiana

We have audited the accompanying statements of financial position of Caddo Community Action Agency, Inc. (a nonprofit organization), as of January 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Caddo Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caddo Community Action Agency, Inc., as of January 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

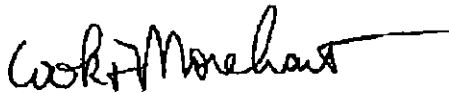
In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2010, on our consideration of Caddo Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in

*accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.*

The accompanying supplemental schedules shown on pages 13 – 14, are presented for the purpose of additional analysis and are not a required part of the financial statements of Caddo Community Action Agency, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying supplemental schedules, listed as "Supplemental Information Schedules Prepared for Grants and Contracts Analysis" in the table of contents and shown on pages 17 – 18 are presented for the purpose of providing various funding sources of Caddo Community Action Agency, Inc., additional individual grant and contract analysis and are not a required part of the financial statements. The information is prepared on a prescribed basis of the various funding sources of Caddo Community Action Agency, Inc., and certain schedules are for periods other than the organization's fiscal year. These schedules are not presented in accordance with generally accepted accounting principles. Accordingly, the schedules mentioned previously and shown on pages 17 – 18 are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion are fairly stated on the basis of accounting practices prescribed by the various funding sources.



Cook & Morehart  
Certified Public Accountants  
July 30, 2010

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Statements of Financial Position  
January 31, 2010 and 2009

Assets	2010	2009
Current assets:		
Cash	\$ 899,254	\$ 135,957
Grant receivables	1,025,741	867,357
Other receivable		104,045
Prepaid insurance	108,698	
Due from other funds	93,826	60,122
Total current assets	<u>2,127,519</u>	<u>1,167,481</u>
Property and Equipment:		
Property and equipment	11,065,630	10,049,873
Accumulated depreciation	(4,417,253)	(4,009,152)
Net property and equipment	<u>6,648,377</u>	<u>6,040,721</u>
Total Assets	<u>\$ 8,775,896</u>	<u>\$ 7,208,202</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 799,420	\$ 498,302
Accrued liabilities	505,289	447,232
Line of credit	110,000	45,000
Due to other funds	93,826	60,122
Note payable, current portion	59,894	35,231
Refundable advances	635,072	3,880
Total current liabilities	<u>2,203,501</u>	<u>1,089,767</u>
Note payable, less current portion	511,448	828,599
Total liabilities	<u>2,714,949</u>	<u>1,918,366</u>
Net assets:		
Unrestricted:		
Operating	(37,238)	(9,005)
Designated	21,150	121,950
Fixed assets	6,077,035	5,176,891
Total net assets	<u>6,060,947</u>	<u>5,289,836</u>
Total Liabilities and Net Assets	<u>\$ 8,775,896</u>	<u>\$ 7,208,202</u>

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Statements of Activities  
For the Years Ended January 31, 2010 and 2009

	Unrestricted	
	2010	2009
Revenues and reclassifications:		
Contractual revenue - grants	\$ 16,020,200	\$ 13,143,935
Gain on disposal of fixed assets		84,563
Miscellaneous revenues	206,856	90,114
Total revenues	16,227,056	13,318,612
Expenses:		
Head Start program	9,803,001	9,720,132
Child care food program	984,346	972,477
Community services	941,809	862,078
Weatherization assistance	900,003	422,504
Home energy assistance	2,624,194	1,389,017
Water assistance	7,177	5,758
Emergency food and shelter	55,088	23,110
Other general services	140,327	114,662
Total expenses	15,455,945	13,509,738
Changes in net assets	771,111	(191,126)
Net assets as of beginning of year	5,289,836	5,480,962
Net assets as of end of year	\$ 6,060,947	\$ 5,289,836

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Statements of Cash Flows  
For the Years Ended January 31, 2010 and 2009

	2010	2009
Operating activities		
Changes in net assets	\$ 771,111	\$ (191,126)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	408,101	424,682
Loss on disposal		19,482
(Increase) decrease in operating activities:		
Grant receivables	(158,384)	(100,900)
Other receivables	104,045	(104,045)
Prepaid insurance	(108,698)	
Increase (decrease) in operating liabilities:		
Accounts payable	301,118	9,456
Accrued liabilities	58,057	28,732
Refundable advances	631,192	339
Net cash provided by operating activities	<u>2,006,542</u>	<u>86,620</u>
Investing Activities		
Payments for property and equipment	<u>(1,015,757)</u>	<u>(177,466)</u>
Net cash used in investing activities	<u>(1,015,757)</u>	<u>(177,466)</u>
Financing Activities		
Proceeds from line of credit	65,000	30,000
Payments on loan	<u>(292,488)</u>	<u>(32,450)</u>
Net cash used in financing activities	<u>(227,488)</u>	<u>(2,450)</u>
Net increase (decrease) in cash	763,297	(93,296)
Cash as of beginning of year	<u>135,957</u>	<u>229,253</u>
Cash as of end of year	<u>\$ 899,254</u>	<u>\$ 135,957</u>

Supplemental disclosure:

Cash paid for interest in 2010 and 2009 was \$66,382 and \$74,966, respectively.

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2010 and 2009

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Caddo Community Action Agency, Inc., (CCAA) is a private non-profit organization incorporated under the laws of the State of Louisiana. CCAA is governed by a Board of Directors composed of members from Caddo Parish. CCAA operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in Caddo Parish, Louisiana, with Weatherization Services also provided in Rapides and Lincoln parishes. CCAA administers the following programs, shown with their approximate percentage of revenues for the year ended January 31, 2010:

**Head Start Program (64%)** – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided through federal funds from the U. S. Department of Health and Human Services.

**Child Care Food Program (6%)** – Provides a food service program in coordination with the Head Start Program. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

**Community Services Block Grant (6%)** – Administers various programs to fulfill responsibilities and provide assistance to the poor, disadvantaged and unemployed through housing services, community projects, nutrition services, emergency assistance, employment services, transportation services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Department of Labor.

**Weatherization Assistance Program (6%)** – Provides assistance to weatherize (insulate) the dwellings of low-income persons, particularly the elderly and handicapped low-income in order to conserve needed energy and aid those persons least able to afford higher utility costs. Funding is provided by federal funds passed through the Louisiana Association of Community Action Partnerships, Inc.

**Home Energy Assistance Program (16%)** – Provides assistance to low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Association of Community Action Partnerships, Inc.

**Shreveport Water Assistance Program (1%)** – Provides assistance to hardship families in paying their water bills. Funding is provided by a contract with the City of Shreveport.

**Emergency Food and Shelter Program (1%)** – Provides funding to purchase food and shelter for people in emergency situations. Funding is provided by federal funds from the U.S. Department of Homeland Security.

B. Basis of Accounting

The financial statements of CCAA have been prepared on the accrual basis of accounting.

(Continued)



Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2010 and 2009  
(Continued)

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

CCAA is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to CCAA's tax-exempt purpose is subject to taxation as unrelated business income. CCAA had no such income for this audit period.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, CCAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. CCAA had no cash equivalents at January 31, 2010 or January 31, 2009.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. The Federal Government has a reversionary interest in property purchased with federal funds; its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency. CCAA has adopted a policy to capitalize all items with a unit cost of \$1,000 or greater.

H. Retirement Obligations

Effective January, 1999, CCAA began offering a 401(K) plan for its employees. Employees with at least one year of service may contribute a portion of their gross wages ranging from 1% to 15% (not to exceed \$7,000) to the plan. CCAA will match the employees' contributions at \$.25 on the dollar up to 4% of the employee's gross wages. Effective February 2005, CCAA changed the type of 401(k) to a 401(k) profit sharing plan. Employees with at least three months of service may contribute a portion of their gross wages up to a dollar limit (\$14,000 for 2005) which is set by law. Each year CCAA determines the percentage of an employee's compensation it will contribute to the plan. For the year ended January 31, 2010, the contribution was 2% of eligible wages. The amount contributed to the plans for the years ended January 31, 2010 and 2009 was \$133,968 and \$129,621, respectively.

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2010 and 2009  
(Continued)

I. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

J. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(2) Concentrations of Credit Risk

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of January 31, 2010 and 2009, CCAA had no significant concentrations of credit risk in relation to grant receivables.

CCAA maintains cash balances at several financial institutions located in the Shreveport area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At January 31, 2010, total cash balances held at financial institutions was \$1,155,395. Of this amount, \$255,311 was secured by FDIC, and \$900,084 was collateralized by pledged securities. At January 31, 2009, total cash balances held at financial institutions was \$298,531. Of this amount, \$255,553 was secured by FDIC, \$42,978 was collateralized by pledged securities.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at January 31, 2010 and 2009, but received after that date.

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2010 and 2009  
(Continued)

(4) Due To and From Other Funds

The following schedule represents amounts due to and due from other funds at January 31, 2010 and 2009:

Fund	2010		2009	
	Due From Other Funds	Due To Other Funds	Due From Other Funds	Due To Other Funds
Unrestricted	\$ 93,826	\$	\$ 60,122	\$
Restricted Funds:				
Water Assistance Program		2,741		2,741
Community Services Block Grant		35,400		198
Weatherization Assistance Program		55,685		57,185
Home Energy Assistance Program				
	<u>\$ 93,826</u>	<u>\$ 93,826</u>	<u>\$ 60,122</u>	<u>\$ 60,122</u>

(5) Property and Equipment

Property and equipment consisted of the following at January 31, 2010:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 7,157,109	\$ 82,493	\$ 7,239,602
Land		312,786		312,786
Furniture, fixtures, equipment	5-10 years	1,750,752	19,612	1,770,364
Vehicles	5 years	1,658,529	24,349	1,682,878
Idle Property			60,000	60,000
Accumulated depreciation		(4,355,122)	(62,131)	(4,417,253)
Net investment in property and equipment		<u>\$ 6,624,054</u>	<u>\$ 124,323</u>	<u>\$ 6,648,377</u>

Property and equipment consisted of the following at January 31, 2009:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	15-30 years	\$ 6,866,565	\$ 82,493	\$ 6,949,058
Land		312,786		312,786
Furniture, fixtures, equipment	5-10 years	1,281,975	19,612	1,301,587
Vehicles	5 years	1,402,093	24,349	1,426,442
Idle Property			60,000	60,000
Accumulated depreciation		(3,955,418)	(53,734)	(4,009,152)
Net investment in property and equipment		<u>\$ 5,908,001</u>	<u>\$ 132,720</u>	<u>\$ 6,040,721</u>

Depreciation expense was \$408,101 and \$424,682 for the years ended January 31, 2010 and 2009, respectively.

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2010 and 2009  
(Continued)

(6) Refundable Advances

CCAA records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(7) Accrued Liabilities

Accrued liabilities at January 31, 2010 and 2009 consisted of the following:

	2010	2009
Accrued payroll	\$ 377,965	\$ 331,911
Accrued leave	100,517	93,457
Payroll taxes payable	26,807	21,864
	<u>\$ 505,289</u>	<u>\$ 447,232</u>

(8) Unrestricted, Operating Net Assets

Included in unrestricted, operating net assets are the following program balances:

	2010	2009
Weatherization	\$ (35,170)	\$ (29,025)
Water Assistance	(1,568)	(2,413)
General Services	(500)	22,433
	<u>\$ (37,238)</u>	<u>\$ (9,005)</u>

(9) Designated Net Assets

The designated net assets at January 31, 2010, consisted of \$21,150 designated for use within the Home Energy Assistance Program. The designated net assets at January 31, 2009, consisted of \$104,045 designated for replacement of a building damaged by fire, and \$17,905 designated for use within the Home Energy Assistance Program.

(10) Contractual Revenue – Grants

During the years ended January 31, 2010 and 2009, CCAA received contractual revenue from federal and state grants in the amount of \$16,020,200 and \$13,143,935, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2010 and 2009  
(Continued)

(11) Leases

The agency leases several buildings and certain equipment under operating leases. The rental costs on these items for the years ended January 31, 2010 and 2009 were \$127,185 and \$126,040, respectively. The minimum annual commitments under non-cancelable operating leases are as follows:

Year Ending January 31,	
2011	\$ 123,253
2012	113,561
2013	47,007
2014	9,688
2015	3,289
	<u>\$ 296,798</u>

The operating leases are subject to CCAA receiving their annual appropriation of funds.

(12) Line of Credit

Caddo Community Action Agency, Inc. entered into an agreement November 6, 2009 for a revolving line of credit for \$500,000 with a variable interest rate of 2.507% over prime rate. Principal and interest are payable on November 17, 2010. At January 31, 2010 and 2009, the balance on the line of credit was \$110,000 and \$45,000, respectively. Interest expense incurred under this line of credit for the years ended January 31, 2010 and 2009 was \$4,422 and \$2,232, respectively.

(13) Note Payable

Long-term debt at January 31, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Note payable to a bank, due in 59 monthly installments of \$8,765, including interest of 8.25%, final payment due October, 2012, secured by agency buildings.	571,342	863,830
Less current installments on long-term debt	( 59,894)	( 35,231)
	<u>\$ 511,448</u>	<u>\$ 828,599</u>

Commitments under the loan agreement are as follows:

<u>For the Year Ending January 31,</u>	
2011	\$ 59,894
2012	65,474
2013	445,974
Total minimum future rentals	<u>\$ 571,342</u>

Total interest expense incurred on the loans for the years ended January 31, 2010 and 2009 was \$61,960 and \$72,734, respectively.

(Continued)

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Notes to Financial Statements  
January 31, 2010 and 2009  
(Continued)

(14) Contingency

*Caddo Community Action Agency, Inc. is the defendant in one lawsuit of which the ultimate outcome is unknown at this time. In the opinion of legal counsel, the amount of any damages awarded in excess of the agency's current insurance coverage cannot be reasonably estimated at this time.*

(15) Subsequent Events

Subsequent events have been evaluated through July 30, 2010, the date the financial statements were available to be issued.

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Combining Schedule of Financial Position  
January 31, 2010

Assets	Head Start Program	Child Care Food Program	Community Service	Weatherization Assistance	Home Energy Assistance	Water Assistance	Emergency Food and Shelter	Other General Services	Total
Current assets:									
Cash	\$ 11,535	\$	\$ 88,396	\$ 733,312	\$ 41,421	\$	\$ 1,596	\$ 41,271	\$ 898,254
Grant receivables	517,280	110,266	29,471		368,724				1,025,741
Prepaid insurance	108,698								108,698
Due from other funds								93,826	93,826
Total current assets	637,513	110,266	87,807	733,312	410,145	1,783	1,596	135,097	2,127,519
Property and equipment:									
Property and equipment	10,707,052		14,717	145,985	5,860			182,036	11,065,630
Accumulated depreciation	(4,298,940)		(14,717)	(32,341)	(3,543)			(67,712)	(4,417,253)
Net property & equipment	6,408,112			113,624	2,317			124,324	6,648,377
Total Assets	\$ 7,045,625	\$ 110,266	\$ 97,807	\$ 846,936	\$ 412,462	\$ 1,783	\$ 1,596	\$ 259,421	\$ 8,775,896
Liabilities and Net Assets									
Current liabilities:									
Accounts payable	\$ 231,231	\$ 110,266	\$ 37	\$ 71,100	\$ 385,184	\$	\$	\$ 1,802	\$ 799,420
Accrued liabilities	404,014		62,370	10,489	3,811	610		23,985	505,289
Line of credit								110,000	110,000
Due to other funds			35,400	55,685		2,741			93,826
Current portion of note payable	59,894						1,596		59,894
Refundable advances	2,268			631,208					635,072
Total current liabilities	697,407	110,266	97,807	768,482	388,995	3,351	1,596	135,597	2,203,501
Other liabilities									
Note payable, less current portion	511,448								511,448
Net assets:									
Unrestricted:									
Operating				(35,170)	21,150	(1,568)		(500)	(37,238)
Designated					2,317				21,150
Fixed assets	5,836,770			113,824	23,467			124,324	6,077,035
Total net assets	5,836,770			78,454	23,467	(1,568)		123,824	6,060,947
Total Liabilities and Net Assets	\$ 7,045,625	\$ 110,266	\$ 97,807	\$ 846,936	\$ 412,462	\$ 1,783	\$ 1,596	\$ 259,421	\$ 8,775,896

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Combining Schedule of Activities  
For the Year Ended January 31, 2010

Revenues		Head Start Program	Child Care Food Program	Community Service	Weather- ization Assistance	Home Energy Assistance	Water Assistance	Emergency Food and Shelter	Other General Services	Total
Contractual revenue - grants		\$ 10,446,153	\$ 984,346	\$ 941,809	\$ 957,828	\$ 2,626,954	\$ 8,022	\$ 55,088	\$	\$ 16,020,200
Miscellaneous revenues		59,524			38,336				108,996	206,856
Total revenues		10,505,677	984,346	941,809	996,164	2,626,954	8,022	55,088	108,996	16,227,056
Expenses										
Salaries		5,767,636	500,675	665,461	190,488	127,261	4,761		43,604	7,299,868
Fringe benefits		1,064,346	86,419	126,372	26,868	15,356	703		6,027	1,326,091
Travel		58,554		990	266	842				60,452
Equipment		65,750	21,784	5,349	4,893	8,161	844		946	107,727
Occupancy		197,361		32,280	1,082				7,056	237,789
Telephone		88,016		21,102	6,596	2,901			6,475	125,080
Insurance		228,910		25,879	14,086	857			851	270,593
Vehicle operation		216,319		7,953	14,879					239,151
Supplies		393,764	43,380	8,765	343,639	13,484	620		3,592	807,344
Professional services		685,287		2,397	217,435	3,237				908,356
Food and related supplies		243,184								243,184
Miscellaneous		348,049	332,088	9,607	64,398	32,779	249	88		575,282
Client assistance payments				35,644		2,419,031		55,000	58,858	2,568,531
Interest expense		61,960							4,422	66,382
Depreciation		383,855			15,363	485			8,398	408,101
Total expenses		9,803,001	984,346	941,809	900,003	2,624,194	7,177	55,088	140,327	15,455,945
Change in net assets		702,676			96,161	2,760	845		(31,331)	771,111
Net assets, beginning of year		5,134,094			(17,707)	20,707	(2,413)		155,155	5,269,836
Net assets, end of year		\$ 5,836,770	\$	\$	\$ 78,454	\$ 23,467	\$ (1,568)	\$	\$ 123,824	\$ 6,080,947



Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Schedule of Expenditures of Federal Awards  
For the Year Ended January 31, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Education:			
Child and Adult Care Food Program (Head Start)	10.558	N/A	\$ 984,346
<u>U.S. Department of Homeland Security</u>			
Emergency Food and Shelter	97.024	Unknown	27,646
ARRA - Emergency Food and Shelter	97.024	Unknown	27,412
Total Department of Homeland Security			55,058
<u>U.S. Department of Energy</u>			
Passed through Louisiana Association of Community Partnerships, Inc.			
Weatherization Assistance for Low-Income Persons (Fy 6-30-09)	81.042	N/A	484,495
ARRA - Weatherization Assistance for Low-Income Persons (Fy 3-12-12)	81.042	N/A	278,909
Total Department of Energy			763,404
<u>U.S. Department of Health and Human Services</u>			
Passed through Caddo Parish Commission:			
Head Start			
ARRA - Head Start	93.600	06CH6376/38	9,862,485
ARRA - Head Start	93.708	06SH6376/01	605,784
ARRA - Early Head Start	93.708	06SE6376/01	190,683
	93.709	06SA6376/01	15,571
Passed through Louisiana Department of Labor:			
Community Services Block Grant	93.569	2009N0036	602,337
Community Services Block Grant	93.569	2010N0036	304,305
ARRA - Community Services Block Grant	93.710	2009N0036	24
Passed through Louisiana Association of Community Partnerships, Inc.			
Home Energy Assistance Program (Fy 9-30-09)	93.568	N/A	1,412,121
Home Energy Assistance Program (Fy 9-30-10)	93.568	N/A	1,211,568
Weatherization Assistance for Low-Income Persons (Fy 6-30-09)	93.568	N/A	153,876
Weatherization Assistance for Low-Income Persons (Fy 6-30-10)	93.568	N/A	46,692
Total Department of Health and Human Services			14,405,466
<b>Total Federal Expenditures</b>			<b>\$ 16,208,274</b>

NOTE 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

**Supplemental Schedules Prepared for  
Grants and Contracts Analysis**

Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Head Start Grant No. 06CH6376/38  
U.S. Department of Health and Human Services  
Schedule of Revenues, Expenses and Changes in Fund Balance  
For the Contract Period: February 1, 2009 to January 31, 2010

Revenues:	Budget	Actual	COB Balances Current Year
Department of Health & Human Services	\$ 9,862,485	\$ 9,862,485	
Grantee's contribution	2,428,621	2,428,621	
Total revenue	12,291,106	12,291,106	
Expenses:			
Personnel	5,800,360	5,670,205	130,155
Fringe benefits	1,123,759	1,056,526	67,233
Travel	62,054	41,083	20,971
Equipment	155,000	170,055	(15,055)
Supplies	418,045	305,104	112,941
Contractual	590,355	540,178	50,177
Facilities/Construction	98,910	98,910	
Other	1,614,002	1,980,424	(366,422)
	9,862,485	9,862,485	
Grantee's share of inkind contributions	2,428,621	2,428,621	
Total all expenses	\$ 12,291,106	12,291,106	
Revenue over (under) expenses			
Fund balance, beginning February 1, 2009		190,983	
Fund balance, ending January 31, 2010		\$ 190,983	

Caddo Community Action Agency, Inc.  
Shreveport Louisiana  
Child and Adult Care Food Program  
Louisiana Department of Education  
Schedule of Revenues, Expenses and Changes in Fund Balance  
For the Period: February 1, 2009 to January 31, 2010

**Revenue:**

Contract revenue	<u>\$ 984,346</u>
Total revenue	<u>984,346</u>

**Expenses:**

Salaries	500,675
Fringe benefit	86,419
Equipment and repairs	21,784
Non food supplies	43,977
Food service costs	<u>331,491</u>
Total expenses	<u>984,346</u>

Excess revenue (expenses)

Fund balance, beginning February 1, 2009	<u>                    </u>
Fund balance, ending January 31, 2010	<u><u>\$</u></u>

## COOK & MOREHART

*Certified Public Accountants*

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### Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Directors  
Caddo Community Action Agency, Inc.  
Shreveport, Louisiana

We have audited the financial statements of Caddo Community Action Agency, Inc. as of and for the year ended January 31, 2010, and have issued our report thereon dated July 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered Caddo Community Action Agency, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Caddo Community Action Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Caddo Community Action Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

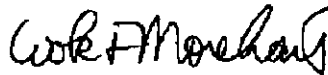
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo Community Action Agency, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a horizontal line extending to the right.

Cook & Morehart  
Certified Public Accountants  
July 30, 2010

## COOK & MOREHART

*Certified Public Accountants*

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### Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Directors  
Caddo Community Action Agency, Inc.  
Shreveport, Louisiana

#### Compliance

We have audited the compliance of Caddo Community Action Agency, Inc. with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended January 31, 2010. Caddo Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Caddo Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on Caddo Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Caddo Community Action Agency, Inc.'s compliance with those requirements.

In our opinion, Caddo Community Action Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended January 31, 2010.

#### Internal Control Over Compliance

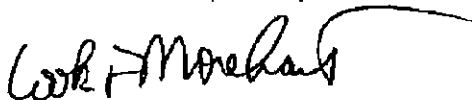
The management of Caddo Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Caddo Community Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the

effectiveness of Caddo Community Action Agency, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.*

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart  
Certified Public Accountants  
July 30, 2010



Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Summary Schedule of Prior Audit Findings  
January 31, 2010

There were no findings or questioned costs with regards to federal awards programs for the prior audit period ended January 31, 2009.

Schedule of Findings and Questioned Costs  
January 31, 2010

**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Caddo Community Action Agency, Inc.
2. No significant deficiencies relating to the audit of the financials statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Caddo Community Action Agency, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major programs expresses an unqualified opinion for all major programs.
6. There are no audit findings relative to the major federal award programs for Caddo Community Action Agency, Inc. reported in Part C. of this schedule.
7. The programs tested as major programs include: 1) Head Start Program CFDA #93.600, ARRA – Head Start Program CFDA #93.708, and ARRA – Early Head Start CFDA #93.709, 2) Community Services Block Grant CFDA #93.569 and ARRA - Community Services Block Grant CFDA #93.710, 3) Low-Income Home Energy Assistance and Weatherization Assistance for Low-Income Persons CFDA #93.568, and 4) Weatherization Assistance for Low-Income Persons and ARRA – Weatherization Assistance for Low-Income Persons CFDA #81.042.
8. The threshold for distinguishing Types A and B programs was \$486,248.
9. Caddo Community Action Agency, Inc. qualified as a low-risk auditee.

**B. Findings – Financial Statements Audit – NONE.**

**C. Findings and Questioned Costs – Major Federal Award Programs Audit – NONE.**

**Caddo Community Action Agency, Inc.  
Shreveport, Louisiana  
Schedule for Louisiana Legislative Auditor  
January 31, 2010**

**There were no findings or management letter comments for the prior year audit period ended January 31, 2009. There are no findings or management letter comments for the current year audit period ended January 31, 2010.**